



Investor Presentation

TSX: CHH | June 2020

# Forward Looking Statements

Certain of the statements contained in this presentation are "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, business strategy, plans and other expectations, beliefs, goals, objectives, information and statements about possible future events. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. You are cautioned not to place undue reliance on such forward-looking information. Forward-looking information is based on current expectations, estimates and assumptions that involve a number of risks that are set out under the heading "Risks and Uncertainties" in Centric Health's most recently filed Management's Discussion and Analysis available on SEDAR at [www.sedar.com](http://www.sedar.com), which could cause actual results to vary and in some instances to differ materially from those anticipated by Centric Health and described in the forward-looking information contained in this presentation. No assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur or, if any of them do so, what benefits Centric Health will derive therefrom and neither Centric Health nor any other person assumes responsibility for the accuracy and completeness of any forward-looking information. Other than as specifically required by applicable laws, Centric Health assumes no obligation and expressly disclaims any obligation to update or alter the forward-looking information whether as a result of new information, future events or otherwise.

All dollar figures are in Canadian dollars unless otherwise stated.

**Centric Health is  
Canada's leading  
provider of Specialty  
Pharmacy services  
to seniors in long-  
term care and  
retirement homes**

1

Large, fast-growing seniors market

2

Existing, scalable national platform

3

Multiple organic growth and acquisition opportunities

A close-up photograph of a hand wearing a blue nitrile glove. The hand is holding a single, bright red, oval-shaped capsule between the tips of the thumb and index finger. The background is blurred, showing warm tones of orange and yellow.

# Centric Health is an Essential Service Provider

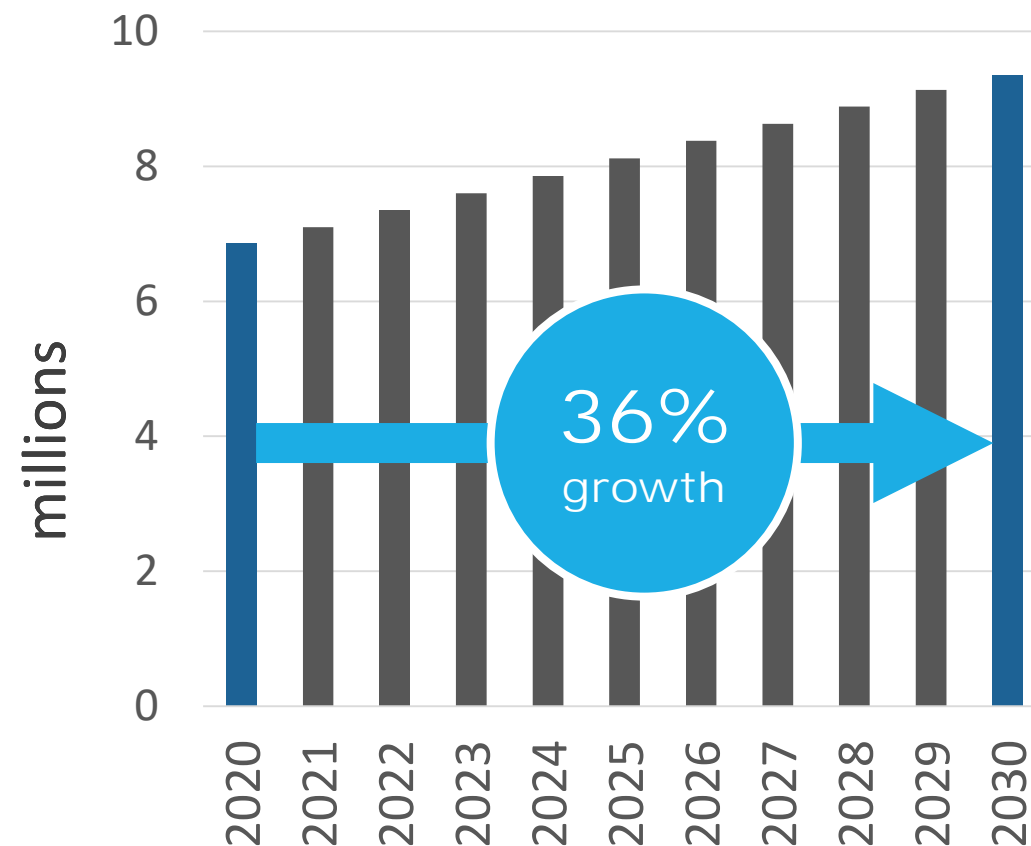
- Safe and timely supply of medications to seniors remains an essential service during the COVID-19 pandemic
- Non-cyclical nature of seniors pharmacy business is generally unaffected by broader economic and market conditions
- Primary funding from provincial governments and other third party insurers minimizes counterparty risk

# Large, Fast-Growing Market

\$19.3  
billion

Current market for  
prescription drugs for  
Canadian seniors

Population aged 65+

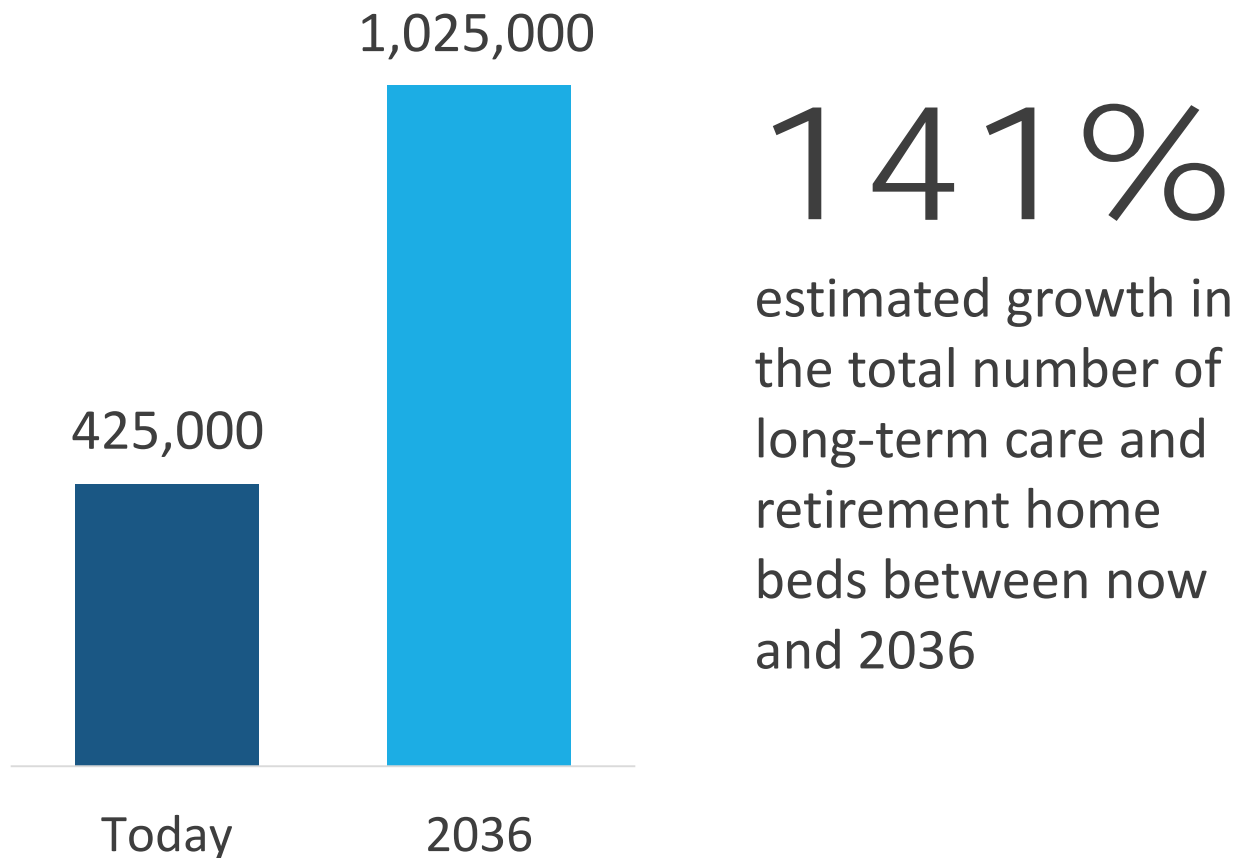






# Seniors Pharmacy Opportunity

## Seniors residences – total beds



4 - 12

# of medications a typical senior takes daily

30

residents per nurse

90x

daily, nurses administer medications

# Best-in-Class Institutional Pharmacy Capabilities


- High volume solutions for cost effective supply of chronic medication and other specialty clinical care services
- Multi-dose compliance packaging improves resident safety and adherence
- Requires proximity, efficiency, accuracy... and innovation



The logo for Centric Health, featuring the company name in a blue serif font with a blue wave graphic to the left.



+

The logo for Remedy'sRx Specialty Pharmacy, featuring the company name in a green serif font with "Specialty Pharmacy" in a smaller green font below it.

- 
- A large blue chevron arrow pointing from the left towards the list of benefits.
- Creates largest Canadian specialty pharmacy business
  - Highly complementary organizations with significant opportunity to implement best practices
  - Ability to realize material synergies and long-term value creation as a result of overlapping geographies and increased scale



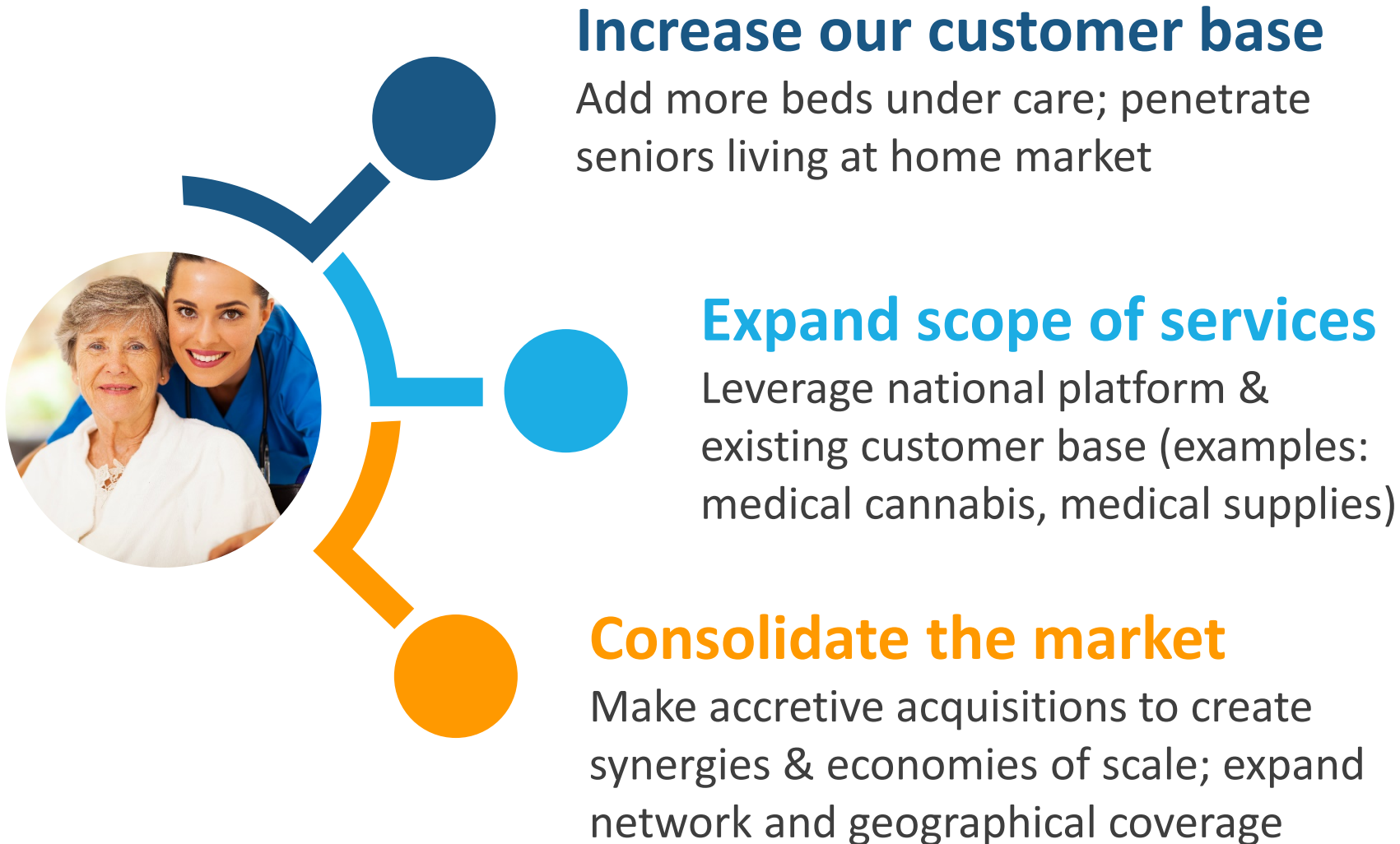
# Our Scalable National Platform

	 Centric Health <i>Your Care. Our Focus.</i>	 Remedy'sRx <small>Specialty Pharmacy</small>	Combined Business
Beds serviced	~31,000	~19,000	>50,000
LTC <sup>1</sup> & retirement homes	>460	>390	>850
Fulfilment centres	14	11	25
Monthly prescriptions	>900,000	>500,000	>1,400,000
Geographies	Western Canada & Ontario	Western Canada & Ontario	Western Canada & Ontario

Well positioned to further strengthen market position

<sup>1</sup> Long-term care

# Multiple Organic Growth and Acquisition Opportunities



# Adding Beds Under Care

Increase residents serviced in long-term care and retirement homes

- Leverage existing operations to increase penetration within homes serviced
- Focus on RFP wins with national and regional home operators
  - Over 45,000 new beds are up for RFPs in the next 18 months, providing significant opportunity to gain market share





# M&A Strategy

## 1 Highly complementary

Leverage current market dynamics to make opportunistic roll-up acquisitions that grow bed count and improve scale

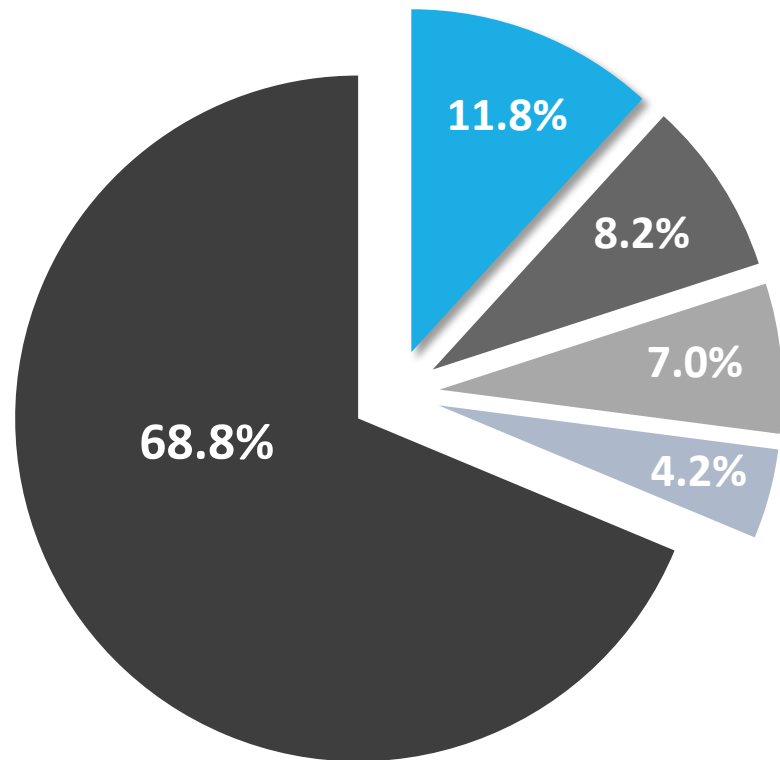
## 2 With strong synergy potential

Ability to realize substantial synergies through rationalization, improved purchasing power, and by implementing CHH's best practices

## 3 At accretive purchase multiples

Highly accretive acquisitions at discounts to CHH's average trading multiple result in strong value creation opportunities

# Positioned to Consolidate the Market



## 425,000

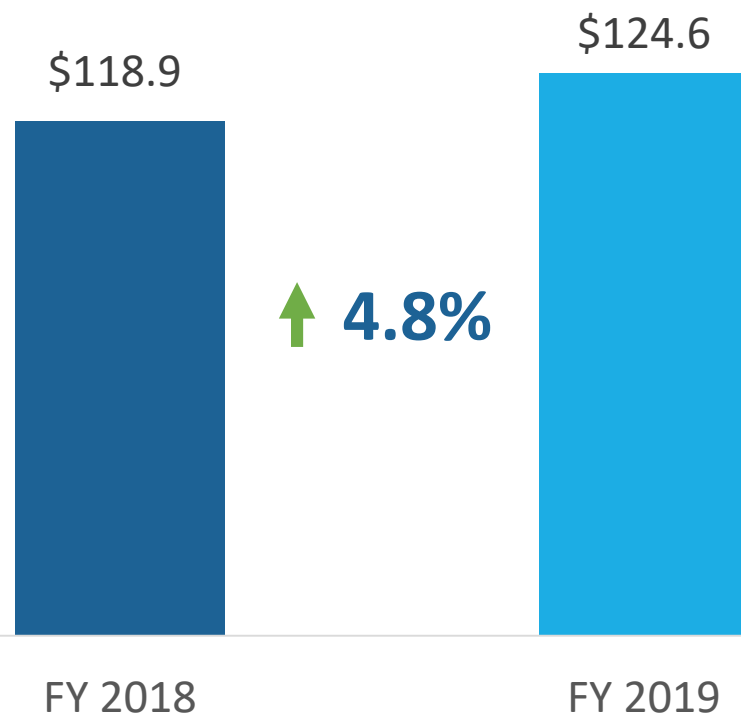
Total beds in market

Beds		
	Centric + Remedy's	>50,000
	Competitor A	35,000
	Competitor B	30,000
	Competitor C	18,000
	All others	~291,000

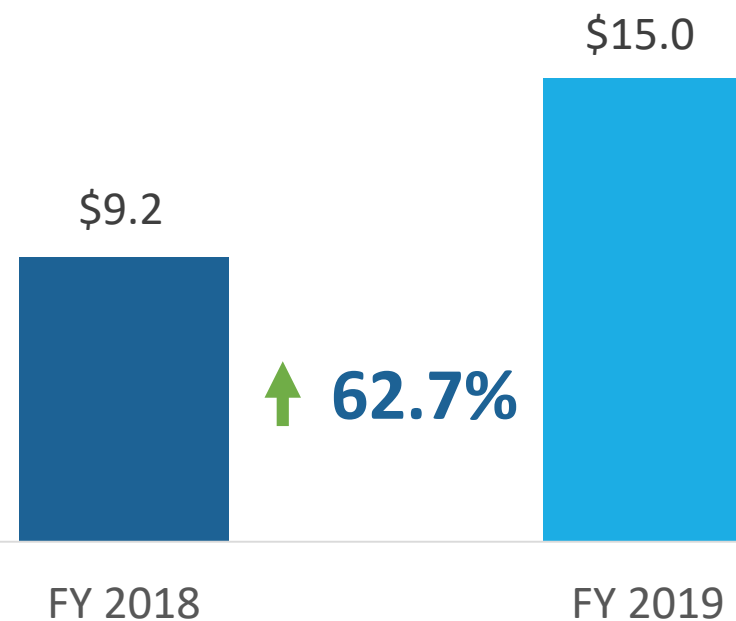
Note: Incumbent bed counts per management estimates; Total market size per CMHC Seniors Housing Report Canada

# Specialty Pharmacy 2019 Results

## Revenue (\$ millions)



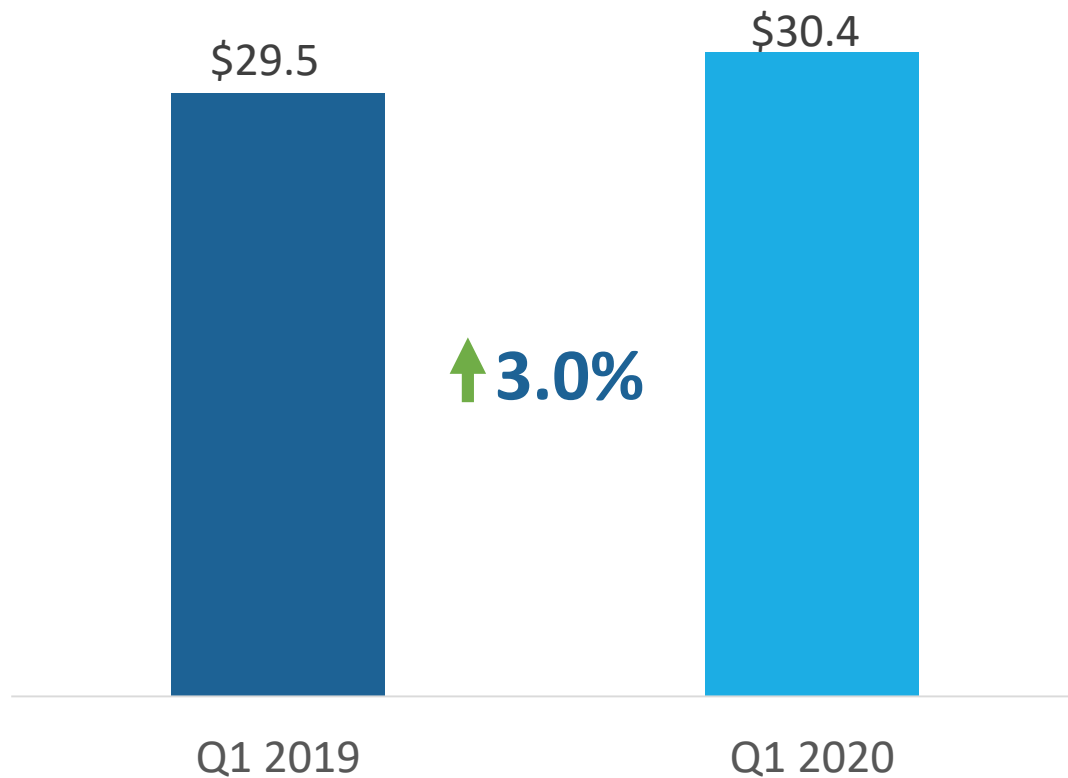
## Adjusted EBITDA (\$ millions)



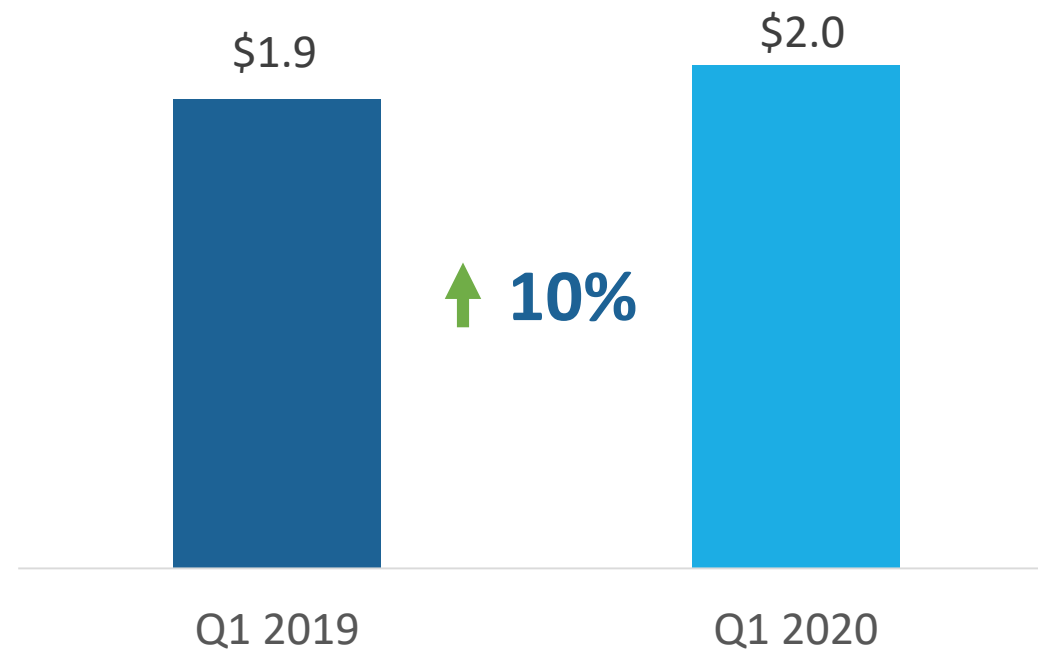


# Consolidated Q1 Results

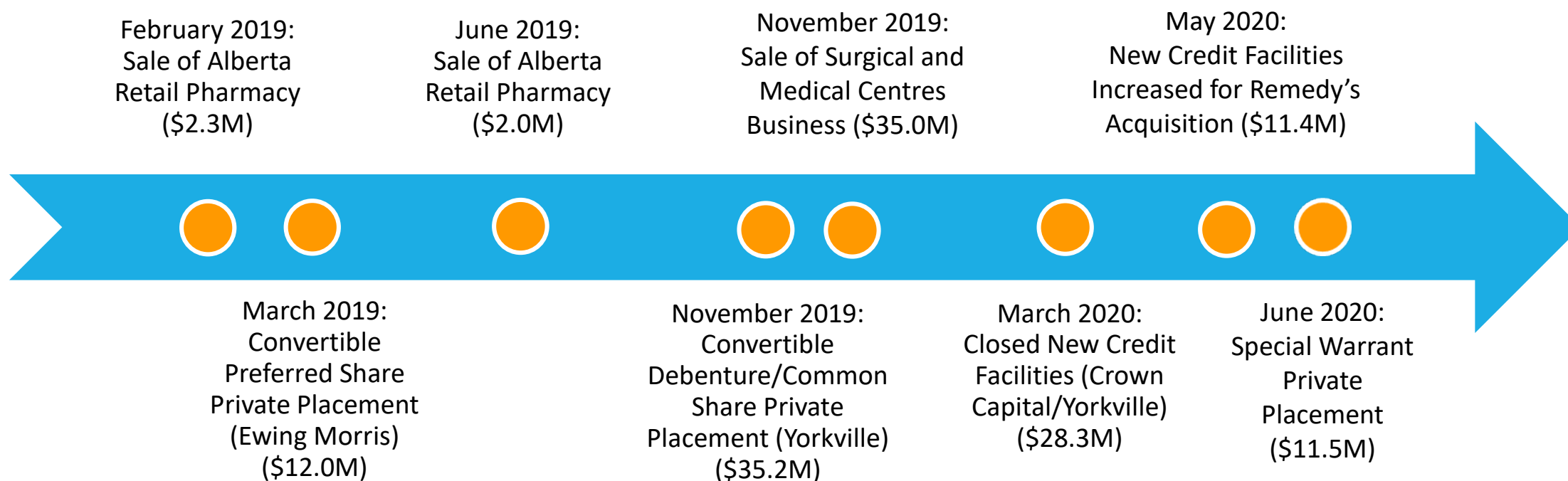
## Revenue (\$ millions)



## Adjusted EBITDA (\$ millions)

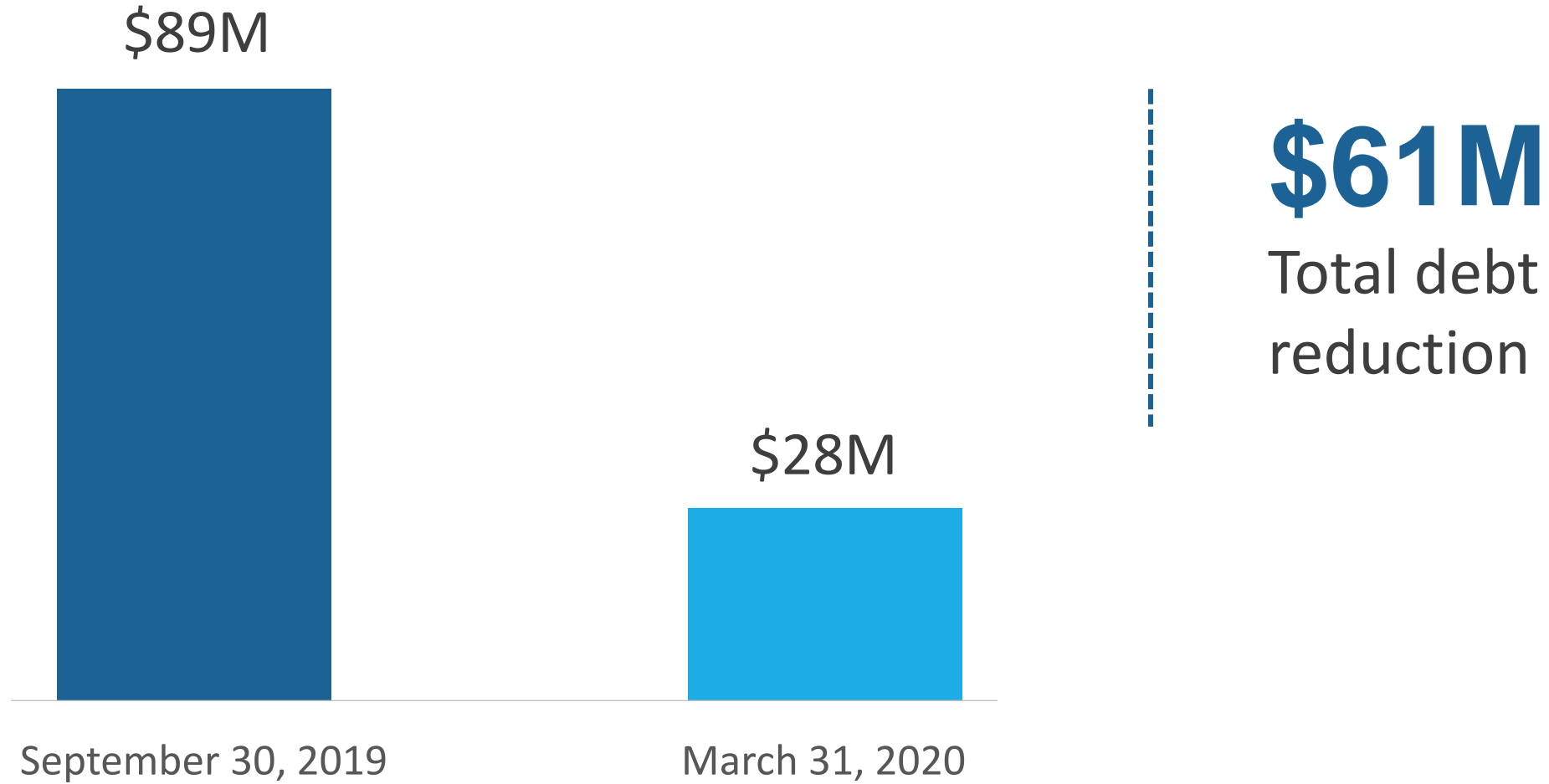


# Strengthened Balance Sheet



**\$138M** Aggregate gross proceeds

# Debt Reduction



Credit facilities provide for up to another \$14 million of debt capacity upon closing Remedy's acquisition/achieving certain financial milestones.

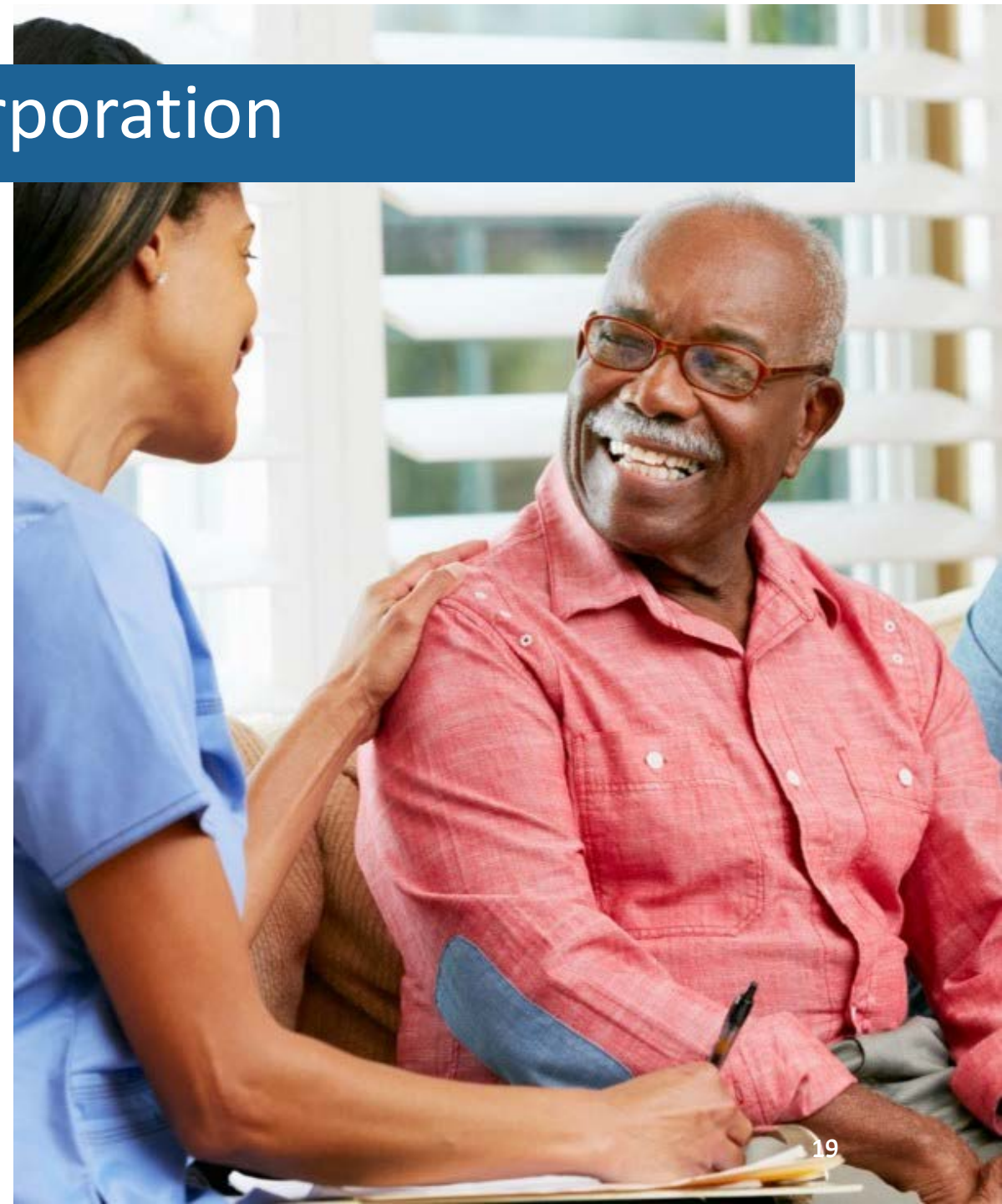
# Stabilized Funding Regime Creates Regulatory Clarity

- A number of regulatory changes have impacted seniors pharmacy reimbursement models in the past two years
- Associated term of each funding model provides a more stable and predictable regime for foreseeable future

Regulatory Change	Details	Term
Pan-Canadian Generic Drug Pricing Agreement	Effective April 2018 prices of 70 of most common generic drugs reduced by 25-40%, which affected drug markups	Agreement runs to March 2023
Alberta Funding Regime	Effective May 2018 cuts were made to dispensing fee and frequency of dispensing which affected Alberta retirement business	Funding model runs to March 2022
Ontario Funding Regime	Effective January 2020 changes in funding model from fee-for-service to capitation model for long-term care residents and clawbacks on drug markups and dispensing fees which affected retirement business	Funding model runs to March 2024

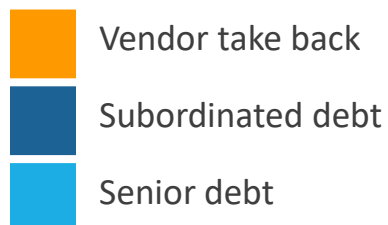
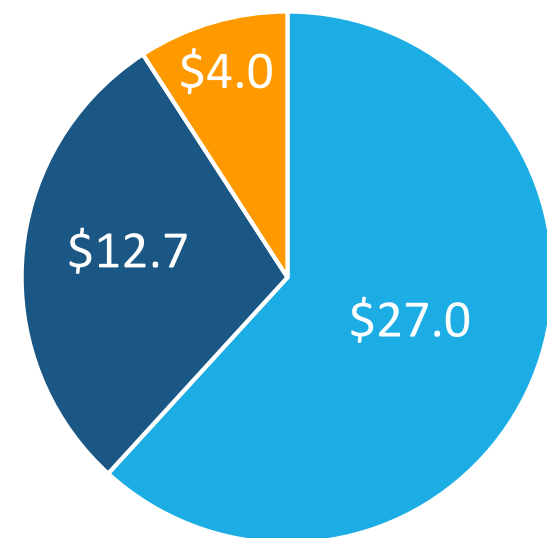
# Plan to Rebrand as CareRx Corporation

- Rebrand to better reflect our strategic focus and core values
- Opportunity to unify our combined organization under a single national brand
- Name change is subject to shareholder approval
- Also planning to have trading symbol changed from CHH to CRRX



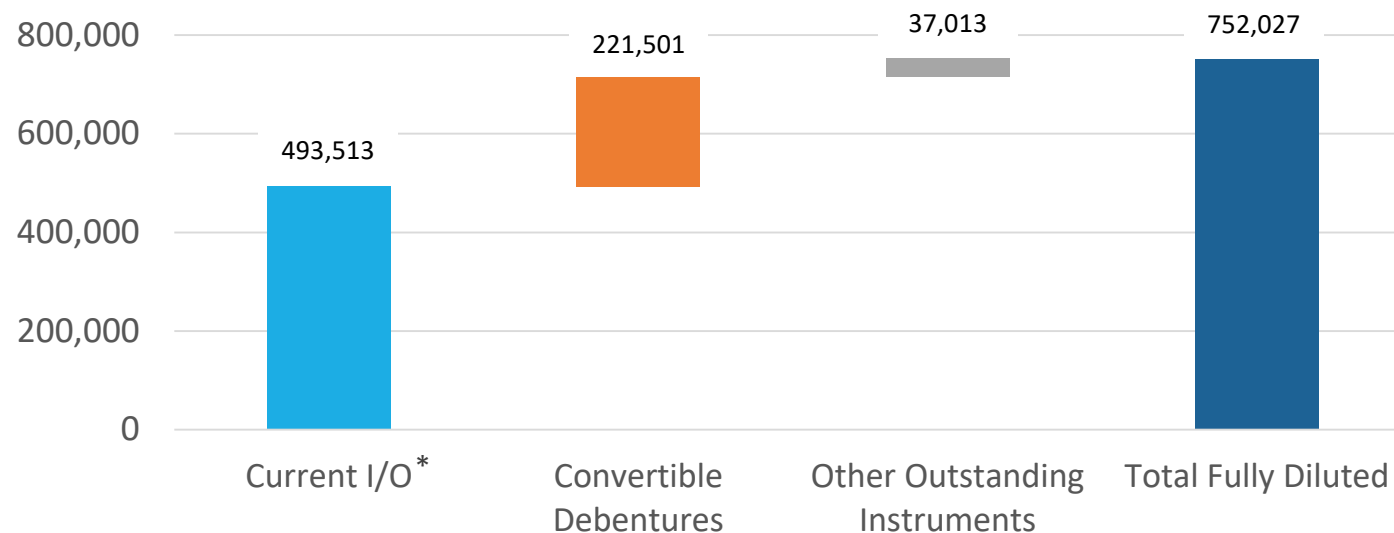
# Capital Structure

**Pro Forma Debt**  
(millions)



\* Includes 57.5 million special warrants issued on June 4, 2020.

**Pro Forma Shares Outstanding (000's)**



	Fully Diluted	Ownership
Yorkville	200,233,333	26.6%
Bruce Moody	119,946,557	15.9%
Jack Shevel	88,282,603	11.7%
Ewing Morris	30,834,667	4.1%
Other	312,730,216	41.6%
<b>Total</b>	<b>752,027,376</b>	<b>100%</b>





1

Large, fast-growing  
seniors market

2

Existing, scalable  
national platform

3

Organic growth and  
acquisition opportunities

[www.centrichealth.ca](http://www.centrichealth.ca)